

Annual report 2017-18



Looking toward the future is first and foremost as I reflect on the past year. Companion animals in need are front and center in not only our day-to-day operations but also as we forge a new strategic direction for the PEI Humane Society.

The new Animal Welfare Act in PEI has started to provide us with tools to become a premiere shelter in advancing animal welfare across the province. Our new Vision: "The PEI Humane Society will provide leadership across PEI, in ensuring the proper treatment of companion animals," guides us as we step into the future.

This journey takes time, and commitment from Islanders who have compassion for our cause and support us in many ways. I want to express my sincere gratitude for the dedication of our employees and volunteers who spend countless hours making life hopeful for companion animals in need. Also, I am humbled by the number of donors who provide us with critical financial support, not only for our operations but also shelter renovations to support our Vision. I want to thank all members of the Board who for many years have weathered the journey and worked many hours to get us to this junction, enabling us to see a sound and successful PEI Humane Society of the future.

Our Mission; "To advance animal welfare protection province wide aligned to the Animal Welfare Act, and champion best practices in prevention, sheltering, and placement of companion animals", provides us the foundation for our decision making. Our new board governance model allows for proper segregation between board and operations and enables a healthy environment with sound policies and procedures for us to grow.

As we forge ahead I am sure the challenges will be many, but with our sound foundation, strong vision, mission and values and the commitment of islanders, we will have all the pillars to become a premiere shelter.

Debbie Miller, President



BOARD OF DIRECTORS PRESIDENT'S REPORT



Vision

The PEI Humane Society will provide leadership across Prince Edward Island, in ensuring the proper treatment of companion animals

Mission

To advance animal welfare protection province wide aligned to the Animal Welfare Act, and champion best practices in prevention, sheltering, and placement of companion animals



Values

- *Humane treatment and care for all companion animals*
- *Protection from and prevention of abuse and neglect for all companion animals*
- *Promoting informed and responsible ownership of companion animals*
- *Protecting public health and safety relating to companion animals*
- *Promoting the continued health and safety of employees and visitors to the PEI Humane Society*

2017-18 Board of Directors

Past President Tom Keeler

Board President Debbie Miller

Vice President Carey Arsenault

Secretary Jenny Mason

Treasurer Melissa Jones

Member Doug Shackell

Member Karen Chin

Member Graham Robinson

Member Michael Zimmerman

Member Penny Walsh McGuire

Member Todd Gregory

**Thank you for your
dedication and commitment**



Executive Director's Report

Key to the success of the current strategic plan is a move away from historical thinking about shelter care, to a clear understanding of current animal welfare issues and the strategies to address them. Shelters across Canada are responding to the changing world of animal welfare, and the PEI Humane Society is identifying similar issues as well as issues unique to the Island.

2017 saw the enactment of the PEI Animal Welfare Act, resulting in many changes for the Animal Protection Team this year. Adding staff, training, upgrading equipment and defining procedures based on the new Act and Regulations has been critical in addressing the 35% increase in humane cases since last year.

More animals are entering shelter care with anxiety, fear and resulting aggressive behaviours. If we can turn the behaviour around, it takes time and work, requiring that our organization make a strong commitment to staff safety and wellness, while we work to rehabilitate animals in our care.

The PEIHS is committed to seeking alternatives and ways to provide what is needed for these animals, and to creating new pathways for the animals that don't suit the traditional adoption scenario and who would otherwise not have a chance.

Participating in the Million Cat Challenge, Capacity for Care Program, implementing low stress handling techniques and positive training has been a critical part of this work. Creating safety and taking the time to understand animal body language are all key tools to creating better outcomes.

It is also critical that the Humane Society balances the care and rehabilitation of animals with the safety of the community. Animals must be assessed to provide a clear understanding of their needs and where they can best succeed. Adopters must understand their needs and be committed to managing their environment for the life of their new pet. By creating these new pathways for animals to find a safe home, seeking ways to keep animals with their owners and taking the time to assess and develop strategies for success, the PEIHS is looking to the future of animal sheltering.

None of this would be possible without the dedication of an amazing and hard working staff team, our many devoted volunteers and our Board of Directors who champion our work and build our community connections. Thank you to everyone, including our many, many supporters for making this year a success. We look forward to the year ahead.

Marla Somersall, Executive Director

Introducing **Smitty** Our Shelter
Cat

Please come say hi, I love
attention!



STAFF TEAM 2017 - 18



Shelter staff work 7 days a week providing animal care
Animal Protection Officers are 24/7
on duty or on call island wide

Executive Director	Marla Somersall
Development Coordinator	Jennifer Harkness
Shelter Manager	Cathy Kenny
Veterinarian	Dr. Rhonda MacDonald
Adoption/Intake Coordinator	Reese Perreault
Client Services/Admin	Lesla Donnelly
Development Assistant	Emma Turner
Animal Protection Officers	Doug Burkholder Mike Gilbertson Jacob Lewis Donna Marie - relief Kim MacMillan - relief
Shelter Attendants	Tammy Bevan Jossie Ehler Breanna McCloskey Chayleigh Arsenault Melissa Kim Stone
Relief Shelter Attendants	Janet Barry Kelsey Crawford Jillian Rose

JUST A FEW OF OUR STARS

Together these volunteers
have logged
over 1600 hours this year

Donna

Foster kitten
socialization
, dog
walker,
events

Janet

Champion
of all things
cat

Elaine

Trainer, dog
walker,
events, cat
care – you
name it!

Colleen

Laundry,
animal
kitchen
treats for
the 2
leggeds too

Lise

dog walker
and trainer

Brett

Dog's best
friend and
so handy
too!

Susan &

Geoff

Tag team
on cats &
training!

VOLUNTEERS MAKE IT ALL HAPPEN THANK YOU FOR EVERY DAY!



THE PEI HUMANE SOCIETY
DEPENDS ON VOLUNTEERS IN
MANY AREAS OF THE WORK
WITH COMPANION ANIMALS.



DOG WALKERS, CAT CARE, ENRICHMENT,
CRITTER CARE AND FUNDRAISING ARE
JUST A FEW OF THE ACTIVITIES THAT
DEPEND ON VOLUNTEER SUPPORT.



127 VOLUNTEERS ARE ACTIVELY
INVOLVED IN THE WORK OF THE
SHELTER THIS YEAR.

The time volunteers offer to the Shelter allows staff to focus on animals that need more specialized attention. Volunteers help get all the animals fed, walked, cleaned and ready for potential adopters in the morning. They provide the extra attention that we don't always have time to give, but that makes a world of difference for the animals.

It is usually the volunteers who can take more time with each animal, who will bring concerns forward to staff about behaviour changes, eating issues, or increased stress and anxiety. These observations can save animals from further distress. We can change their location, their food, or ensure special care instructions are set up to meet their needs. Reducing stress keeps them healthy and helps them be ready for adoption. Volunteers support the work of the shelter through fundraising, animal care, involvement in campaigns or education

ANIMAL PROTECTION SERVICES

WHAT WE DO

Animal Protection Services differ depending on the type of community of residence. Municipal authorities can provide accurate information on local bylaws and requirements for companion animals. The PEI Humane Society must have the necessary authority in order to intervene in a community as seen in the chart.

The goal for Animal Protection Officers (APO) is to educate owners about their responsibilities as defined in the legislation, and the codes of practice for the animals in their care.

When issues are not resolved, APO may need to step in and ensure the welfare of an animal or reduce risk to the community. This may mean a fine, an Order to take Action or even charges under the legislation.

The PEI Humane Society welcomes questions about the legislation or Animal Protection Services. Keeping pets in loving homes is best for everyone, and is always our goal. Equally important is protecting animals from harm or

Type of Enforcement	Location Type	Provincial Territory	Municipality with official plan	Municipality without official plan
Dog Act		Part I, II, III	Part III	Part III
CAPA – repealed				
AWA		Primary responsibility for intake and investigation of humane cases across PEI as Officers.		
Municipal By-Law		n/a	Contracted services: Currently Charlottetown, Stratford and Cornwall,	No authority
Criminal Code		No authority	No authority	No authority

ANIMAL PROTECTION SERVICES

The Animal Welfare Act, enacted in April of 2017 has resulted in many changes to how the PEI Humane Society deals with animal welfare concerns. Rather than wait for an animal to be 'in distress', Officers can respond to complaints and ensure that the standards of care are met. Access to adequate water and food and shelter from the elements are now requirements of the Legislation, as are exercise, safe transport and adequate veterinary care.

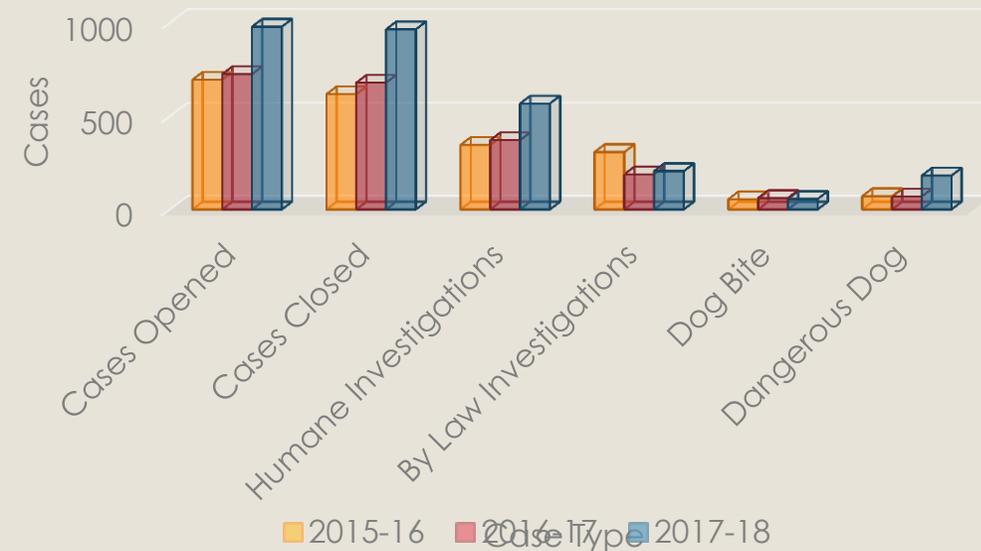
The Act and Regulations tie standards of care to codes of practice such as the Canadian Kennel and Cattery Codes, which define standards for the proper care of animals. APOs assess the care of animals based on these standards.

The Act also provides for an Appeal Process for owners, with a third party panel to independently review decisions by Animal Protection Officers under the Animal Welfare Act. The goal is always to ensure the welfare of animals.

Humane cases have increased 52% over last year, and dangerous dog cases by 16%. Some of this is accounted for by having a consistent response to reports, but we continue to see more dogs across the island. The demographics are changing as more people are living in rural areas. Proximity means that dogs no longer have the same freedom to roam their neighbourhoods. These changes result in more calls about dogs that are aggressive.

Educating communities and owners on responsible ownership is critical to ensuring that dogs and their neighbours can live safely together. Consistent

Case Activity



Case Activity	2015-16	2016-17	2017-18
Cases Opened	694	724	978
Cases Closed	617	678	964
Humane Investigations	345	371	567
By Law Investigations	307	188	205
Dog Bite (on person)	55	61	56
Dog Act	71	69	81

COMPANION ANIMALS IN SHELTER

Animals in Shelter Intake and Average Length of Stay

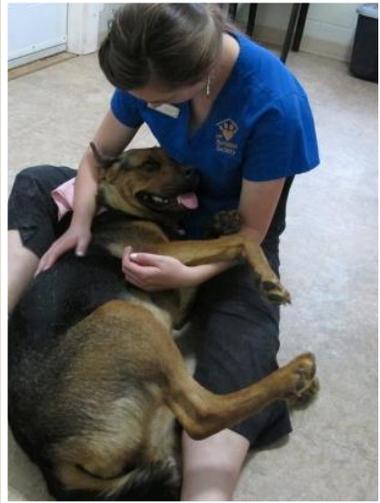


The Five Freedoms

The Five Freedoms states that an animal's primary welfare needs can be met by safeguarding the following five freedoms:

- **Freedom from Hunger and Thirst** by ready access to fresh water and a diet to maintain full health and vigour.
- **Freedom from Discomfort** by providing an appropriate environment, including shelter and a comfortable resting area.
- **Freedom from Pain, Injury or Disease** by prevention or rapid diagnosis and treatment.
- **Freedom to Express Normal Behaviour** by providing sufficient space, proper facilities and company of the animal's own kind.
- **Freedom from Fear and Distress** by ensuring conditions and treatment which avoid mental suffering. Read more at:

https://www.humanecanada.ca/five_freedoms_of_animal_welfare



QUALITY CARE

Shelter care involves so much more than cleaning and feeding.

- Cleaning is critical to good care and disease control
- Shelter populations are changing and practice has to change with it.
- Behaviour is becoming as much a determinant of successful outcomes as health
- Nutrition, quality food and proper diet are key parts of shelter care

Making time for Enrichment

- enrichment helps prepare animals for adoption, and allows them to express natural behaviours which reduces stress.
- this can be achieved through play or providing activities of interest to the animal
- Exercise reduces stress
- Nutritious food feeds minds
- Quiet time, time with people and time out of the kennel keeps animals mentally healthy
- A clean environment with good air quality is critical
- Veterinary care is critical to ensure health animals are adopted out

CREATING BEST OUTCOMES

988 Cats

• Adoption 644 Return to Owner 61
• Died/DOA 25 Euthanasia 239 Other 19

340 Dogs

• Adoption 151 Return to Owner 129
• Died/DOA 1 Euthanasia 54 Other 5

26 Critters

• Adoption 24 Return to Owner 0
• Died/DOA 1 Euthanasia 1 Other 0

25 Rabbits

• Adoption 19 Return to Owner 0
• Died/DOA 0 Euthanasia 6 Other 0

4 Birds

• Adoption 4 Return to Owner 0
• Died/DOA 0 Euthanasia 0 Other 0

- Cats are still not returned to owners at anywhere near the rate dogs are.
- Other may include animals transferred to organizations like Cat Action for a better placement type
- Increases in seizures and humane cases have sharply impacted euthanasia numbers especially for cats
- Humane cases affect both behaviour and health in terms of outcomes for animals
- Panleukopenia cases were higher in 2017-18, impacting euthanasia numbers

The PEI Humane Society only uses humane euthanasia for untreatable health or behaviour issues. We continue to seek better alternatives that, do not prolong suffering and are safe for animals and the community primary goal

FINDING CREATIVE SOLUTIONS

Many people are familiar with our Fancy Feline, Dandy Dog and Senior for Senior programs that promote the adoption of harder to place animals at reduced costs. Adoption for the animals in our care may take many different forms, depending on the needs of the animals. This requires some creativity. Regardless of where they go, animals are spayed, neutered, vet checked and vaccinated. We meet with every adopter and try to ensure the best possible match and that new owners understand their unique pet.



Supporting retention

– when owners struggle to find solutions to problems with their pets, the shelter can provide information and resources to successfully deal with difficult behaviours and ultimately keep animals in their home.

Spirit cats

– may never have been well socialized, but are not suited to being outdoors. They are healthy but very shy and may not ever be very comfortable around people. They may make good companions for your cats, and they

Working cats

need outdoor homes like barns or nurseries. They are not suited to living indoors and just need a job and safe warm place to live. They will earn their keep and will be much happier living a life that suits them.

Feral Cats

– when cats are not suited to homes or even as working cats because they are not comfortable with people, we partner with Cat Action PEI to place them in colonies where they are monitored and cared for by volunteers. This is

Siblings and groups

that come in together are often kept together because this is the relationship they are comfortable with. Being separated can be stressful, and as social animals, cats like company while you are busy at work.

MANAGED ADMISSION – WHAT'S THAT?

The idea of No Kill Shelters has become confusing

Managed admission is straightforward:

- Limit intake to space available
- Reduce the stress of overcrowding
- Support owners to keep pets home
- Respond to emergencies
- Create alternatives for outcomes
- Numbers of animals cared for doesn't change
- Care is focused on animal needs
- Euthanasia is limited to untreatable health conditions or

The aim of managed admission is better care and better outcomes

- Owners are asked to schedule the intake of their pet so that the shelter can better manage the capacity of animals in care which keeps animal numbers in shelter at a safe, healthy balance
- Help can be offered with food and supplies for the short term until space opens up.
- Managed admission also means safely diverting animals from the shelter to better options
- Helping owners to keep their pets home by helping with behaviour problems and providing resources like information on training can help struggling owners deal with problems. Pets are so much better off with a family that already loves them,
- The upheaval of coming in to shelter and starting over can be very stressful and may trigger behaviour and health issues. Managed admission allows shelters to plan for these situations, and offer extra care when needed and make needs to care plans

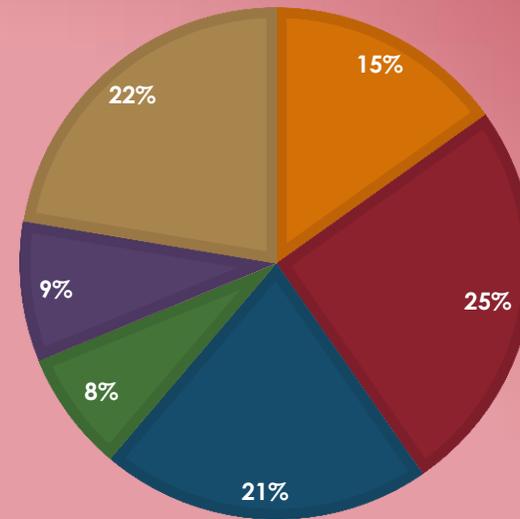


When it is an emergency, a humane or safety issue, there is flexibility to manage if needed. No priority numbers

THE COST OF DOING IT RIGHT BUDGET 2018/19

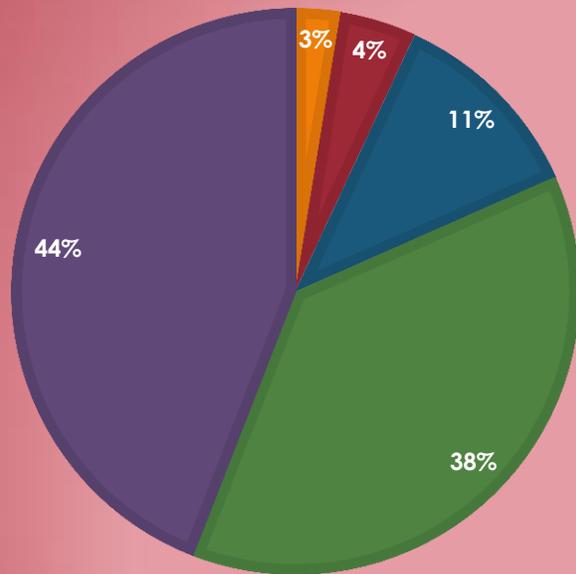
ANNUAL EXPENSE

■ Adoption and Client Services ■ Facility Operations ■ Veterinary Care
■ Animal Protection Service ■ Administration and Fundraising ■ Daily Animal Care



ANNUAL REVENUE

■ Services/Other Revenue ■ Bequests ■ Adoptions ■ Fundraising ■ Contracted Services



CREATIVE WAYS TO HELP

DONATE NEEDED ITEMS OR ATTEND
AN EVENT FOR THE ANIMALS



TOP FUNDRAISING EVENTS & CAMPAIGNS

PEIHS Golf Tournament, presented by Investors Group
\$22,000

National Cupcake Day \$20,000

Facebook Auctions \$2561

Santa Pix \$2992

Funny Fundraiser \$1800

Dr. Rhonda head shave & First Choice Haircutters
\$3,993.25

**Fundraisers hosted by
community groups and individuals
\$36,757.08**



THANK YOU TO THE FOLLOWING DONORS & SPONSORS \$1000+

Anne MacDonald

Bernmar Construction

Brigid & Hannah Grant

Charlottetown Rural High
School

Chris King

Colour Blind (Joe & Heather
Millar)

Cover All Snow Removal

Craig Bradley

Dalziel's Auto Body

David Gauthier

Debbie Miller

Diane Walmsley

Donald Ridley

Doug Shackell

East Coast Art Party

East Wiltshire School

Estate of Catherine Buell

Estate of Mary E. Hawbolt

Estate of Rhoda
McCarthy

Estate of Ruth Shankle

Estate of Franklin L Pigot

First Choice Haircutters

Glen Stewart Primary
School

Global Pet Food PEI

Harbourfront Theatre

Helen & Kenny Mallar

Investors Group

Kathy Campbell

Krista Matheson

Lee Bell

Linda Keane

Margaret Munro

Michael Poczynek

Nancy Richards

Neil & Pat Robinson

Nora Wood

Paderno Staff

Parkdale Sherwood Lions

Paws for a Sweet Treat

Peake & McInnis

Provincial Credit Union

Randy Ford

RBC Dominion Securities

Renwick Spence

Seaside Bakery

Shawn's No Frills

Sports Centre Physiotherapy

STC Social Committee

Steven O'Neil

Stewart McKelvey

Tamara Zagustin

The Mullally Family Group

The PEI Lawn Tractor Racing Club Inc.

United Way of PEI

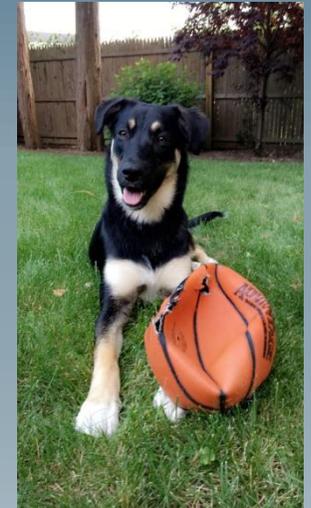
United Way of Toronto & York Region

Vector Aerospace

William & Germaine Doyle



THE ISLAND COMMUNITY DONATED
\$80,286.76
DURING THE 2017 / 2018
HAPPY TAILS EVER AFTER
FUNDRAISER



We must be the voice for those who can't speak

THANK YOU TO THE FOLLOWING CAPITAL CONTRIBUTORS \$1000+

Atlantic Canada Opportunities Agency

Estate of Jean Theresa Diver

Mary Ellen Gaudet

Juanita Leeco

Keir Bevan & Family

Ken Wilde

Jarrett Ehler & Kristie Forbes

Danny & Mildred Ehler

Jossie Ehler & Liam Gauthier

David Gauthier

Estate of Shirley Alport

Marti Hopson

Anonymous Donor



EXPANDING OUR
PAWPRINT
CAPITAL CAMPAIGN

COMMUNITY OUTREACH & EDUCATION

Abegweit First Nation Community Day

Adoption Awareness Facebook Contests

Animal Talk – The Guardian

AVC Kids Camps

AVC Vet Students Training

Brownies group

Confederation Centre Public Library

Daycare talks

Dog Park BBQ

Pet Store exhibiting



Pride Parade

Stratford Expo

Summerside Tax Centre

Summerside, Charlottetown & Souris Christmas Parades

Tailwag Tuesdays on Ocean 100.3

UPEI New Student Orientation

Volunteer night at Island Storm

4-H Groups

12 Strays of Christmas - The Guardian special feature



LEAVING A LEGACY

Leaving a gift in your will allows
the PEI Humane Society
to go beyond basic care & shelter

\$245,138.36 was received this fiscal year from gifts in will, allowing us to reserve the funds for capital improvements, equipment needs and emergencies.

\$35,943.00 was donated in memory of loved ones for whom animals held a special place in their heart. Thank you to the families and friends who supported the PEI Humane Society. It is a great honour for those who have passed to help animals in need.

EXPANDING OUR
PAWPRINT
CAPITAL CAMPAIGN

The PEI Humane Society has undertaken a major renovation to the 309 Sherwood Road Shelter Facility. The building is 28 years old, and the architectural and engineering assessment indicates that it is a solid structure, built with materials well suited to animal sheltering. Redesigning this space, in consultation with shelter design experts from Learned Design Inc. will create a space that will respond to the changing nature of animal protection and welfare. We were fortunate to receive Canada 150 funds from Atlantic Canada Opportunities Agency which, combined with a bequest and donation began the first phase of the project. The future public entrance, critter care room, and multipurpose room are now complete. In order to get staff out of the basement, this is being used as temporary office space while we complete the rest of the renovation.



The PEI Humane Society envisions a standard of excellence in all aspects of animal welfare and shelter care. ***The Expanding Our Paw Print*** capital campaign will help us create a safe and welcoming facility that promotes the health of the companion animals in our care and across the province.

AUDITED
FINANCIAL
STATEMENT
MARCH 31,
2018



PRINCE EDWARD ISLAND HUMANE SOCIETY
Financial Statements
March 31, 2018

M.R.S.B

INDEPENDENT AUDITOR'S REPORT

To the Directors of Prince Edward Island Humane Society

Report on the Financial Statements

We have audited the accompanying financial statements of Prince Edward Island Humane Society, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

(continues)

Basis for Qualified Opinion

In common with many not-for-profit organizations, Prince Edward Island Humane Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Prince Edward Island Humane Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the years ended March 31, 2018, and 2017, current assets as at March 31, 2018 and 2017, and net assets as at April 1 and March 31 for both the 2018 and 2017 years. Our audit opinion on the financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Prince Edward Island Humane Society as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

MRSB Chartered Professional Accountants

MRSB CHARTERED PROFESSIONAL ACCOUNTANTS

Charlottetown, PE

July 31, 2018

PRINCE EDWARD ISLAND HUMANE SOCIETY
Statement of Financial Position
March 31, 2018

	2018	2017
ASSETS		
Current		
Cash	\$ 26,446	\$ 35,940
Restricted cash	512,792	839,874
Accounts receivable (Note 4)	92,160	38,599
Investments (Note 5)	96,551	96,070
Prepaid expense	10,904	14,076
	738,853	1,024,559
Property and equipment (Note 6)	382,044	401,392
	\$ 1,120,897	\$ 1,425,951
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 19,525	\$ 38,495
Government remittances payable	19,608	12,930
Deferred revenue (Note 7)	11,000	11,000
Current portion of long term debt (Note 8)	5,258	10,722
	55,391	73,147
Long term debt (Note 8)	2,173	7,389
Deferred contributions (Note 9)	531,259	841,956
	588,823	922,492
Lease commitments (Note 10)		
NET ASSETS		
Unrestricted net assets (Statement 4)	532,074	503,459
	\$ 1,120,897	\$ 1,425,951

ON BEHALF OF THE BOARD

 Director
 Director

Notes 1 - 14 are an integral part of these financial statements

PRINCE EDWARD ISLAND HUMANE SOCIETY
Statement of Changes in Net Assets
Year Ended March 31, 2018

	2018	2017
Unrestricted net assets - beginning of year	\$ 503,459	\$ 513,916
Excess (deficiency) of revenue over expenditures (Statement 5)	28,615	(10,457)
	\$ 532,074	\$ 503,459
Unrestricted net assets - end of year		

Notes 1 - 14 are an integral part of these financial statements

PRINCE EDWARD ISLAND HUMANE SOCIETY
Statement of Operations
Year Ended March 31, 2018

	Budget	2018	2017
Revenue			
Donations and memoriams	\$ 251,000	\$ 274,950	\$ 226,828
Provincial contract	206,360	210,721	206,727
Municipal contracts	145,577	142,575	138,575
Shelter receipts	103,000	117,895	125,335
Special events	78,000	67,100	66,518
Licenses and ID tags	22,000	25,671	18,995
Miscellaneous and memberships	6,200	19,700	10,560
Donations in kind	-	914	-
	<u>812,137</u>	<u>859,526</u>	<u>793,538</u>
Expenditures			
Advertising	11,000	19,845	14,473
Amortizing of property and equipment	18,000	21,166	25,170
Animal care supplies	16,000	18,768	16,584
Bad debt	-	13,134	-
Electricity	7,000	11,323	8,304
Fundraising	6,000	28,590	22,554
Heat	9,000	5,224	6,594
Insurance	7,000	8,964	8,413
Interest and bank charges	4,300	4,879	4,585
Office	19,500	15,441	12,508
Professional fees	11,000	22,279	24,743
Property tax	6,300	10,899	7,151
Rescue contracts	14,000	-	743
Shelter and kennels - maintenance	25,000	22,015	15,963
Staff training and travel	6,000	6,003	3,253
Telephone	9,000	10,187	10,385
Vehicle	14,500	14,195	12,674
Veterinary supplies and services	71,500	73,946	72,498
Wages and wage levies	556,381	583,622	567,047
	<u>811,481</u>	<u>890,480</u>	<u>833,642</u>
Excess (deficiency) of revenue over expenditures from operations	<u>656</u>	<u>(30,954)</u>	<u>(40,104)</u>
Other revenue			
Bequests	15,000	59,075	29,125
Interest	900	494	522
	<u>15,900</u>	<u>59,569</u>	<u>29,647</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 16,556</u>	<u>\$ 28,615</u>	<u>\$ (10,457)</u>

Notes 1 - 14 are an integral part of these financial statements

PRINCE EDWARD ISLAND HUMANE SOCIETY
Statement of Cash Flows
Year Ended March 31, 2018

	2018	2017
Cash flows from operating activities		
Excess (deficiency) of revenue over expenditures	\$ 28,615	\$ (10,457)
Item not affecting cash:		
Amortization of property and equipment	<u>21,166</u>	<u>25,170</u>
	<u>49,781</u>	<u>14,713</u>
Changes in non-cash working capital:		
Accounts receivable	(53,561)	(19,026)
Investments	(481)	(518)
Prepaid expense	3,172	(1,313)
Accounts payable and accrued liabilities	(18,971)	20,210
Government remittances payable	<u>6,678</u>	<u>(4,191)</u>
	<u>(63,163)</u>	<u>(4,836)</u>
	<u>(13,382)</u>	<u>9,875</u>
Cash flows from investing activity		
Purchase of property and equipment	<u>(1,817)</u>	<u>-</u>
	<u>(1,817)</u>	<u>-</u>
Cash flows from financing activities		
Repayment of long term debt	(10,680)	(13,339)
Deferred contributions	<u>(310,697)</u>	<u>736,452</u>
	<u>(321,377)</u>	<u>723,113</u>
Increase (decrease) in cash	<u>(336,576)</u>	<u>732,988</u>
Cash - beginning of year	<u>875,814</u>	<u>142,826</u>
Cash - end of year	<u>\$ 539,238</u>	<u>\$ 875,814</u>
Cash consists of:		
Cash	\$ 26,446	\$ 35,940
Restricted cash	<u>512,792</u>	<u>839,874</u>
	<u>\$ 539,238</u>	<u>\$ 875,814</u>

Notes 1 - 14 are an integral part of these financial statements

PRINCE EDWARD ISLAND HUMANE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2018

1. DESCRIPTION OF BUSINESS

Prince Edward Island Humane Society was incorporated under Part II of the Prince Edward Island Companies Act on July 22, 1974 as a not-for-profit entity and is a registered charity for federal income tax purposes. Incorporating in the manner exempts the organization from income taxes providing ongoing compliance requirements are met. The objective and purpose of the organization is to promote quality of life for companion animals through: responsible ownership, successful adoptions, education and enforcement of companion animal welfare legislation in Prince Edward Island.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

3. SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash is comprised of cash on hand and cash in bank.

Accounts receivable

Accounts receivable arise from trade receivables, payroll advances and Harmonized Sales Tax receivable. An allowance for bad debts has been calculated through discussions with management, assessment of the other circumstances influencing the collectibility of amounts, and using historical loss experience. Amounts deemed uncollectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of excess of revenue over expenditures. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of excess of revenue over expenditures.

(continues)

PRINCE EDWARD ISLAND HUMANE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment is stated at cost less government assistance, contributions and accumulated amortization. Property and equipment is amortized over its estimated useful life on a declining balance basis at the following rates:

Buildings	4%
Paving	8%
Fencing	10%
Equipment	20%
Vehicles	30%
Computer equipment	45%
Computer software	100%
Website	100%

One-half of the annual rate is recorded in the year of acquisition; no amortization is recorded in the year of disposal.

Government assistance

Government grants received for general operations are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants. During the year, the organization received \$2,706 (2017 - \$3,443) from the Government of Canada and \$7,800 (2017 - \$nil) from the Province of PEI for wage subsidies included in miscellaneous revenues, and \$250,000 (2017 - \$nil) from Atlantic Canada Opportunities Agency to assist with building upgrades included as government assistance in property and equipment.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for the purchase of property and equipment that will be amortized are deferred and recorded as a reduction of the cost of the related assets and amortized at the same rate.

(continues)

PRINCE EDWARD ISLAND HUMANE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures all of its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in excess of revenue over expenditures.

Financial assets measured at amortized cost on a straight-line basis include cash, restricted cash, accounts receivable and investments.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities and long term debt.

Transaction costs on the acquisition, sale, or issue of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

Contributed services

Volunteers contribute significant hours each year to assist the organization in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. During the year, \$914 (2017 - \$nil) in goods were donated and capitalized as part of equipment.

Measurement uncertainty

When preparing financial statements according to Canadian ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenditures
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues, allowance for doubtful accounts, useful lives of property and equipment and accruals.

PRINCE EDWARD ISLAND HUMANE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2018

4. ACCOUNTS RECEIVABLE

	2018	2017
Trade receivable	\$ 35,208	\$ 27,313
HST receivable	56,952	11,086
Payroll advances	-	200
	\$ 92,160	\$ 38,599

5. INVESTMENTS

	2018	2017
Provincial Credit Union - Deposit receipt	\$ 49,956	\$ 49,708
Provincial Credit Union - Deposit receipt	46,595	46,362
	\$ 96,551	\$ 96,070

6. PROPERTY AND EQUIPMENT

	Cost	Government assistance & contributions	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 97,249	\$ -	\$ -	\$ 97,249	\$ 97,249
Buildings	1,330,015	846,459	240,020	243,536	253,683
Paving	22,840	-	14,172	8,668	9,421
Fencing	14,269	-	11,153	3,116	3,462
Equipment	114,943	-	100,677	14,266	15,788
Vehicles	57,239	-	42,186	15,053	21,505
Computer equipment	10,770	-	10,614	156	284
Computer software	13,804	-	13,804	-	-
Website	5,863	-	5,863	-	-
	\$ 1,666,992	\$ 846,459	\$ 438,489	\$ 382,044	\$ 401,392

7. DEFERRED REVENUE

	2018	2017
Provincial License Pilot Project grant	\$ 10,000	\$ 10,000
Golf tournament sponsorships	1,000	1,000
	\$ 11,000	\$ 11,000

The organization received a government grant for \$10,000 towards the development of a Provincial License Pilot Project. The expenditures for this program are expected to be incurred in the 2019 fiscal year.

The organization received \$1,000 towards the annual golf tournament which will occur in the 2019 fiscal year.

PRINCE EDWARD ISLAND HUMANE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2018

8. LONG TERM DEBT

	2018	2017
Scotiabank - 2.99%; repayable in monthly blended installments of \$451. The loan matures on August 1, 2019 and is secured by a 2014 Dodge Grand Caravan with a carrying value of \$6,916.	\$ 7,431	\$ 12,494
Scotiabank - 0%; repaid during year.	-	5,617
	7,431	18,111
Current portion	(5,258)	(10,722)
	\$ 2,173	\$ 7,389

Principal repayments of long term debt are expected to be repaid over the next two years as follows:

2019	\$	5,258		2,173
2020				2,173

9. DEFERRED CONTRIBUTIONS

	2018	2017
Capital building fund	\$ 427,238	\$ 736,706
Restricted bequests	74,555	74,555
Skills PEI grant	29,466	30,695
	\$ 531,259	\$ 841,956

The organization has received a number of donations and bequests that have been designated for the construction of a new building. These contributions have been deferred and will be recorded as a reduction of the cost of the building and will be amortized at the same rate.

The organization has received a bequest that is restricted to be used towards improvements to the surgery room. This contribution has been deferred and will be recorded as reduction of the cost of the related assets and amortized at the same rate.

The organization has received Skills PEI grant towards the purchase of various property and equipment. This assistance is being amortized to revenue through amortization at the same methods and rates as the related assets are being amortized. The amount amortized in 2018 was \$1,228 (2017 - \$1,279).

10. LEASE COMMITMENTS

The organization has entered into a lease agreement with Konica Minolta for the lease of a photocopier. The minimum lease payments due over the next three years are as follows:

2019	\$	2,039		2,039
2020				2,039
2021				510

PRINCE EDWARD ISLAND HUMANE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2018

11. LINE OF CREDIT AVAILABILITY

The organization has an approved line of credit with Provincial Credit Union of \$40,000, which is due for renewal on January 5, 2019, and was not utilized at the year end. The interest rate on the line of credit is prime plus 0.5%.

12. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, restricted cash, accounts receivable, investments, accounts payable and accrued liabilities and long term debt.

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2018.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate and credit facilities.

13. BUDGETED FIGURES

Budgeted figures presented on the statement of operations are for information purposes only, and have not been subject to review or audit by the external auditor.

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

